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SUBJECT: ANTI-MONEY LAUNDERING BILL INTRODUCED IN PARLIAMENT

REF: A. RABAT 356

[B](#). RABAT 730

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[1](#). (SBU) Summary: Morocco's draft bill on anti-money laundering was formally presented to parliament by Justice Minister Bouzoubaa on November 20, and will be taken up by the chamber's Justice Committee the week of December 11. Key parliamentarians predict passage of the measure, but are divided on whether this can occur in the current parliamentary session, which ends in mid-January. If not, passage could slip to early summer, as parliament will not reconvene until April. End Summary.

[2](#). (SBU) With an increasing focus on corruption in government and business (a recent poll sponsored by Transparency International showed that 6 out of 10 Moroccans paid bribes to secure public services in the past year), government contacts portray the anti-money laundering law as part of a series of measures aimed at "moralizing public life." Other laws in this group include bills to increase government transparency by requiring that government officials disclose their assets and a draft law on public tenders that seeks to make the process more open and less vulnerable to manipulation. Banking regulators note too that the anti-money laundering draft also forms part of the effort to bring the overall financial system into line with international standards, following earlier laws that reformed the banking sector and granted independence to the Bank al-Maghrib.

[3](#). (U) The press has devoted extensive attention to the anti-laundering measure, noting that while the government originally hoped to secure its passage in 2005, inter-ministerial squabbling (reftels) postponed it by over a year. They have focused on the increased vigilance that the law will require from banks (one senior banker in Casablanca jokingly told us "bankers will not be able to sleep after its passage" because of the added scrutiny it will require them to exercise). More seriously, banking regulators note that while most banks already exercise this vigilance, the law will provide them with a legal framework in which to exercise it, while also ensuring that they operate on equal footing.

[4](#). (SBU) In meetings on November 30 and 31 with Econ Counselor, Mustapha Hanine, President of the Finance and Economic Development Committee of parliament's lower chamber, and Abdelkbir Tabih, President of that Chamber's Justice

Committee, both predicted that the anti-money laundering measure would ultimately be passed by Parliament. Tabih, whose committee will take up the bill the week of December 11, was more nuanced on whether that could be accomplished in the current legislative session, however. He noted the existence of widespread concerns among lawmakers about the impact of the bill on Morocco's large informal economy, which is variously estimated at up to 40 percent of Morocco's economic activity. Hanine saw less of an issue with regard to the informal sector, and expressed confidence that with a proper push from the government the law can move swiftly. Both he and Tabih noted that Bouzoubaa and Finance Minister Oualalou are expected at the December 11 hearings, to emphasize the importance the Moroccan government attaches to the measure.

15. (SBU) Comment: We continue to monitor the bill's progress and are weighing what further advocacy efforts can best contribute to its passage. Given the press of legislative business, however, Tabih's prediction of April passage is more likely than passage before the current session ends in mid-January. End Comment.

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